



**FEDERAL INSURANCE ADMINISTRATION**

**STAKEHOLDER'S REPORT**

**1997**



*Warm spring weather melts snow so fast that creeks swell and rivers crest, spilling over their banks.*

*Summer hurricanes lash coastlines with wind and rain that travel far inland. The storm surges that follow can drive waves, as high as 20 feet, up the shoreline and into coastal creeks and rivers, breaching their banks.*

*Torrential winter storms drench saturated soil, inundating flat lands and filling rivers and lakes to overflowing.*

*Anywhere, any season, floods can happen to anyone.*

## **NATIONAL FLOOD INSURANCE**

In 1968, the United States Congress established the National Flood Insurance Program (NFIP) to support improved floodplain management in flood-prone areas and to provide an insurance alternative for financial recovery after a flood. The NFIP is administered jointly by the Federal Insurance Administration (FIA), and the Mitigation Directorate, both part of the Federal Emergency Management Agency (FEMA).

Over the past 30 years, the NFIP has become one of the world's largest providers of single-line property insurance. Once a local community agrees to participate in the NFIP by adopting and enforcing the sound floodplain management ordinances required by the Program, homeowners, renters, and business owners can purchase and benefit from the protection offered by flood insurance. More than 18,700 communities across the United States and its territories currently participate in the Program.

In 1983, FIA established the Write Your Own (WYO) Program, a cooperative effort with the insurance industry that enables participating property and casualty insurance companies to write and service flood policies in their own names. WYO companies receive an expense allowance for the flood insurance policies they write, while the Federal government remains responsible for underwriting losses. Today, close to 100 companies have signed special arrangements with FIA to participate in the WYO Program. Additionally, more than 60,000 insurance agents write and service flood insurance through the NFIP instead of or in addition to a WYO company.

Many of the flood policies written by insurance agents and WYO companies are required by lending institutions that make or service Federally-backed mortgage loans. These banks, savings and loans, credit unions, and their regulators work with the NFIP and the private insurance industry to protect property owners vulnerable to flooding.

Floods can happen to anyone, anywhere, in any season. And, while Federal disaster relief continues to be a necessary response to a major flooding event, as more people learn about flood insurance from their insurance agent, lender, and through FIA's public awareness efforts, more people are starting to plan ahead by purchasing insurance coverage before floods occur.

---

## **INSURANCE INDUSTRY SUPPORT**

FLOOD INSURANCE COMMITTEES . . . . .	1
AWARDS AND RECOGNITIONS . . . . .	3

## **FINANCIAL UPDATE**

PROGRAM GROWTH . . . . .	7
CLAIMS AND FLOODING STATISTICS . . . . .	11

## **INSURANCE UPDATE**

CHANGES AND STUDIES . . . . .	13
MARKETING AND TRAINING . . . . .	17
FUTURE INITIATIVES . . . . .	24

## **WYO COMPANIES**

WYO COMPANY LISTINGS . . . . .	27
--------------------------------	----



**JAMES L. WITT**  
*Director*  
Federal Emergency  
Management Agency

Dear NFIP Stakeholder,

1997 was very important to FEMA and for citizens in communities all across the United States, as this was the year we kicked off our initiative to reduce the high cost of disasters through what we call ***Project Impact***. This initiative will help communities become disaster resistant. Business leaders like you can play an important role in getting your community more involved in ***Project Impact***.

For those involved with the NFIP, the concept of taking responsibility for disaster recovery, both at the community level and the individual level, is not new. Many of you have helped communities adopt and enforce the ordinances required for participation in the NFIP, and all of you help more Americans help themselves by encouraging them to buy National Flood Insurance.

What's even more impressive is that this program is already achieving exactly what we want to accomplish through ***Project Impact***, reducing the loss of property and lowering disaster costs. The NFIP, through partnerships with communities, the insurance industry, and the lending industry, helps reduce flood damage by nearly \$800 million a year.

In my short time at FEMA, disasters have been declared in nearly every state. And it can take years for local governments, businesses, and citizens to recover emotionally and financially from even the smallest of disasters. Years later, the impact still persists: loss of jobs, depressed economy, and vital community resources are drawn away from investments for the future to replace the losses of the present.

The disaster-rebuild-disaster cycle has got to end. Together, we can help it end through programs like the NFIP and initiatives like ***Project Impact***. I applaud your support of the NFIP and encourage you to continue working with the people in your communities to reduce the losses and high costs of floods and all disasters. Together, we can help more people help themselves.

Sincerely,

A handwritten signature in dark ink that reads "James L. Witt". The signature is written in a cursive, flowing style.

James Lee Witt  
Director  
Federal Emergency Management Agency



JO ANN HOWARD  
Administrator  
Federal Insurance  
Administration

Dear NFIP Stakeholder,

I am proud to present you with the Fiscal Year 1997 Stakeholder's Report. I look forward to joining you in your ongoing efforts to deliver the benefits of the NFIP to the American people.

Your support of the NFIP enabled more people to obtain flood insurance and helped thousands of insureds to recover from devastating losses that occurred throughout the year, caused by melting snow, heavy rain, and El Niño. In Fiscal Year 1997, we paid more than \$637,777,061 in flood insurance claims.

We have witnessed a shift in focus and attitudes both within FEMA and across the country. Now there is much greater emphasis on taking steps to reduce damage before disaster hits. Much like the mitigation objectives of the NFIP that we have been working to accomplish since the Program's creation 30 years ago, FEMA's new initiative, **Project Impact**, fosters pre-disaster mitigation for all hazards.

**Project Impact** encourages businesses, residents, and communities to become more aware of the hazards we face and to work together to reduce disasters' toll in lost lives, lost jobs, and lost property. Instead of waiting for disasters to strike and then cleaning up and rebuilding, FEMA is encouraging all Americans to help communities take action to reduce the effects of disasters before they happen.

NFIP stakeholders can be proud that we have been communicating that message to our customers for many years. The combination of more focused lender compliance, program simplification, and enhanced marketing efforts has resulted in 7.5 percent growth in policies in FY 1997. As of September 30, 1997, 3,811,253 policyholders were protected by \$422.4 billion of flood insurance coverage, a 14.3 percent increase in insurance in force. Written premium totaled \$1,390,015,509: 15 percent higher than the previous year.

We look forward to continuing this exciting growth with you. Together we can make a great contribution to the livelihoods of millions of people. Only flood insurance can help people suffering flood damage to recover quickly and build back in a way that helps reduce their chances of being flooded again. We rely on your continued support and dedication, and thank you for the years you have been our partners.

Sincerely,

A handwritten signature in dark ink that reads "Jo Ann Howard". The signature is fluid and cursive, written in a professional style.

Jo Ann Howard  
Administrator  
Federal Insurance Administration



MICHAEL J. ARMSTRONG

*Associate Director*  
Mitigation Directorate

Dear NFIP Stakeholder,

Mitigation is the cornerstone of emergency management--the ongoing effort to lessen the impact disasters have on people and property. Thus, the term ***Project Impact*** has been coined to describe FEMA's new pre-disaster mitigation initiative. We expect that ***Project Impact*** will enhance mitigation as a vital component of the NFIP.

To support these efforts, we are working to create partnerships for building safer communities. Our goal is to bring about a fundamental change in the public's perception about hazard risks, and to show that mitigation is often the most cost-effective and environmentally sound approach to reducing losses. Over the long-term, we hope that a partnered approach with state and local government, the private sector, other Federal agencies, and the non-profit community will substantially increase public awareness and significantly reduce loss of life and damage to property.

The NFIP continues to play a key role in promoting mitigation. Buildings constructed in compliance with NFIP building standards suffer 77 percent less damage annually than those not built in compliance. And, every \$3 paid in flood insurance claims saves \$1 in disaster assistance payments. Clearly, this program works, and can be enhanced through: ***Project Impact***, the Flood Mitigation Assistance Program, the Hazard Mitigation Grant Program, continuing research and technology transfer, and buying flood insurance. Our partnerships will help expand on this success in all communities to reduce the damage and costs of natural disasters.

Sincerely,

A handwritten signature in black ink that reads "Michael J. Armstrong". The signature is written in a cursive, flowing style.

Michael J. Armstrong  
Associate Director  
Mitigation Directorate



# INSURANCE INDUSTRY SUPPORT

---

## FLOOD INSURANCE COMMITTEES

Four important insurance industry committees work to facilitate communication and expedite the resolution of technical and operating issues with the NFIP.

---



Committee Chairman  
**JOHN M. ROBINSON**  
State Farm Insurance

### WYO Standards Committee

The WYO Standards Committee was established in 1984 to help assure the integrity of WYO companies. Members are appointed by the Federal Insurance Administrator and include staff from FIA, FEMA's Office of Financial Management, and WYO companies. They meet three times a year to assess WYO company compliance with the WYO Financial Control Plan and to make recommendations to improve the quality and efficiency of the WYO Program's financial operations.

Committee members review individual company performance to ensure adherence to the standards required by the WYO Financial Control Plan, one of the documents that spell out the rules and responsibilities WYO companies must follow to participate in the Program. The Committee works to resolve problems if a WYO company does not meet Program performance guidelines and recommends actions to be taken by the Federal Insurance Administrator.

### Institute for Business and Home Safety - Flood Committee

The Flood Committee of the Institute for Business and Home Safety (IBHS) is made up of representatives from WYO insurance companies. Working to fulfill the IBHS mission to reduce deaths, injuries, property damage, economic losses, and human suffering caused by natural disasters, this Committee provides FIA with insurance industry information and experience on matters relating to Program policies and operations and, in turn, disseminates updated information about changes to the NFIP to IBHS members.

In Fiscal Year 1997, the Committee addressed issues including product simplification and enhancements, and map quality control. In addition, the Committee evaluated and commented on issues forwarded by FIA regarding WYO policy count growth incentives, condominium inspections, Coastal Barrier Resource Areas, and Increased Cost of Compliance loss adjustment procedures.



Committee Chairman  
**JAMES A. SADLER**  
Unisun Insurance Company





## WYO Marketing Committee

WYO Marketing Committee members are drawn from WYO companies and FIA. This committee develops and reviews ideas to increase flood insurance market penetration and to encourage companies to more actively market flood insurance.

In Fiscal Year 1997, the Committee researched various marketing methods for achieving the Program's growth goals. The Committee assisted FIA in expanding flood awareness in agents' state licensing exams and in encouraging Continuing Education Units for NFIP workshops. Several Committee members attended and supported the Flood Insurance Summit held in Grand Forks, North Dakota, in August 1997.



Committee Chairman  
**DAVID K. MEEHAN**  
Bankers Insurance Company



Committee Chairman  
**ROBERT F. DENNY**  
Edward F. Cook Agency, Inc.

## Flood Insurance Producers National Committee

The Flood Insurance Producers National Committee (FIPNC) serves as the direct communications link between insurance agents who write flood insurance policies and FIA.

Formed in 1982, FIPNC meets with FIA three times a year to discuss various aspects of the flood insurance program. Major topics addressed at past FIPNC meetings include condominium coverage, marketing campaigns, repetitive losses, the Increased Cost of Compliance coverage, and grandfathering.

Over the years, FIPNC's suggestions to the NFIP have resulted in improvements such as policy simplification, a streamlined Flood Insurance Manual, additional education and training for agents, and improvements in flood insurance marketing techniques.

---

## AWARDS AND RECOGNITIONS

Each year, special recognition is given at the awards ceremony held at FIA's National Flood Conference to acknowledge those who have made exceptional contributions to the NFIP.

---

### Agency of the Year

The growth and success of the NFIP depend on insurance agents who dedicate time, creativity, and other resources to flood insurance promotion and training. To recognize their outstanding contributions to the Program, FIA honors three insurance agencies every year. Nominations, made by members of a variety of organizations such as WYO companies, vendors, and insurance agent trade associations, are reviewed by a committee drawn from FIPNC, the WYO Marketing Committee, and the IBHS Flood Committee. Awards are based on an agency's steps to achieve superior policy growth, implement innovative marketing strategies, adhere to established underwriting guidelines, and participate in flood awareness activities. Winners of the 1997 Agency of the Year Award are listed below.



TIM BRENNEMAN

#### **Edward F. Cook Agency of East Hampton, New York**

The Edward F. Cook Agency posted a 20 percent growth in insurance policies in 1996. All 50 of this agency's employees contribute to promoting and selling flood insurance, and quoting flood insurance rates with all homeowners policies. Other promotional strategies include advertising in local newspapers and conducting mailing and telemarketing campaigns. Robert F. Denny, Chairman of the Cook Agency, has served as Chairman of FIPNC. Tim Brenneman accepted the award on behalf of the agency.



ANDY ANDERSON

#### **G. Anderson Agency of Haven Beach, New Jersey**

More than 10 commercial and personal lines employees of the G. Anderson Agency are directly involved with the sale and promotion of flood insurance, providing quotes for flood insurance along with all homeowners, dwelling, and commercial insurance policy quotes. Some of their efforts include: mailing special NFIP informational inserts and brochures with all correspondence sent to clients, including renewal notices; placing hundreds of flood insurance "Cover America" commercials on The Weather Channel; and, organizing two town meetings since 1995, one on flood awareness and the other on emergency preparedness. Andy Anderson is a long-standing member of FIPNC.



JOHN POLLOCK

#### **Oswald Trippe and Company, Inc. of Fort Myers, Florida**

The Oswald Trippe and Company, Inc. agency has combined its two primary areas of expertise--flood insurance and community associations--to produce a high volume of Residential Condominium Building Association Policies (RCBAP). John Pollock and his insurance team meet regularly to provide all local regulatory associations with training about flood insurance guidelines, construction issues, and purchase requirements based on the flood risk zones located in their area. The agency includes flood coverage quotes for all new business package insurance, regardless of the flood zone in which a business is located.

## Administrator's Club

Initiated in 1990, the Administrator's Club award is given each year to honor the WYO insurance companies achieving the year's goal for new growth. Winners of the 1996-97 Arrangement Year Administrator's Club Award are listed below.



**Nationwide Mutual Fire Insurance Company** with 11.83 percent growth and 9,691 new contracts in the category of companies with more than 75,000 contracts.



**Redland Insurance** with 14.99 percent growth and 1,628 new contracts in the category of companies with 5,000 - 15,000 contracts.



**Union American Insurance Company** with 47.97 percent growth and 1,629 new contracts in the category of companies with 1,000 - 5,000 contracts.

**Southern Farm Bureau Casualty Insurance Company** with 11.98 percent growth and 3,589 new contracts in the category of companies with 15,000 - 75,000 contracts.



**First Community Insurance Company** with 247.85 percent growth and 3,617 new contracts in the category of companies with less than 1,000 contracts.



**Hartford Underwriters Insurance Company** with 1,847.83 percent growth and 3,400 new contracts in the category of companies new to the NFIP. **TROPHY WINNER**



Among the companies that qualify for the annual Administrator's Club award, the company that achieves the highest percentage of growth, with at least 2,000 new contracts, is awarded the Administrator's Club Trophy. Because of their exceptional performance, the Hartford Underwriters Insurance Company was awarded the Administrator's Club Trophy.

## The Donald L. Collins Partnership Award

The Donald L. Collins Partnership Award is presented to an individual whose extraordinary hard work has created strong connections among the NFIP and its stakeholders. This prestigious award is made in honor of Donald L. Collins, a dedicated FIA executive who spent more than 20 years building close working relationships with the NFIP's private sector partners before he passed away in 1995.

In 1997, the Flood Conference Planning Committee selected Robert Ross, Jr., to receive this award. Mr. Ross has been in the insurance business for 50 years and served as an adjuster, special agent, agency vice president, and president. For the last 20 years he has been actively involved in agent education and training at the association level. He has served on the Flood Insurance Producers National Committee, often as the chair, and is a member of the WYO Marketing Committee, as well as the Institute for Business and Home Safety's Flood Committee. He is dedicated to helping improve the NFIP and making sure more agents understand the product and that more people have this important protection. It is an honor to recognize and appreciate his contributions as a valuable partner to the NFIP.



ROBERT ROSS, JR.

---

Many individuals and organizations work in partnership with FIA to help protect vulnerable communities from flood losses across the United States and its territories. Insurance agents, insurance companies, lenders, public officials, and government and non-government organizations all play essential roles in informing the public about flood risks and protection as well as in settling flood insurance claims to help victims of flood loss rebuild their lives.

---

## Public Awareness Materials Contest

Promotional materials that raise awareness and provide important information about flood insurance are essential components in communicating with the public about the availability of National Flood Insurance.

Every year, WYO companies and other NFIP stakeholders are invited to submit public awareness materials they've developed to the Flood Conference Planning Committee. Materials are categorized by type and displayed at the annual conference where attendees are given the opportunity to vote for their favorite entry in each category.

Among the entries submitted for the contest held at the 1997 National Flood Conference were flyers, posters, newsletters, stuffers, stickers, a flood message water bottle, and a life jacket-theme beverage holder. The categories and winners for the 1997 Public Awareness Materials Contest are listed below.

PUBLIC AWARENESS MATERIALS CONTEST WINNERS	
CATEGORIES	WINNERS
Brochure	USAA
Envelope	Union American
Mailing Insert/Stuffer	NCSI
Kit	Omaha Property & Casualty
Poster	Bankers Insurance Group - FCIC
Print Ad or Video	USAA
Spanish Item	Integrand Insurance Company
Specialty Item	Bankers Insurance Group - FCIC
Training Material	NCSI
Newsletter	NCSI

# FINANCIAL UPDATE

## PROGRAM GROWTH

The NFIP's broad base of policyholders contributes to the National Flood Insurance Fund that provides funds for claims payments when flood losses occur.

### FINANCIAL HIGHLIGHTS

	<b>FISCAL YEAR 1997</b> <i>Oct. 1, 1996 - Sept. 30, 1997</i>	<b>FISCAL YEAR 1996</b> <i>Oct. 1, 1995 - Sept. 30, 1996</i>
<b>POLICIES IN FORCE</b>	<b>3,811,253</b>	<b>3,546,050</b>
<b>INSURANCE IN FORCE</b>	<b>\$422,423,346,700</b>	<b>\$369,500,953,800</b>
<b>TOTAL PREMIUM AND FEE REVENUE</b>	<b>\$1,004,247,605</b>	<b>\$888,711,408</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,043,766,355</b>	<b>\$1,458,048,599</b>

## POLICIES, PREMIUMS, AND INSURANCE IN FORCE BY PROGRAM AND OCCUPANCY TYPE

National Flood Insurance policies can be purchased to provide coverage for a variety of building occupancy types (i.e., homes, apartments, condominiums, and small businesses) and their contents as shown in this table. NFIP policy growth occurred during Fiscal Year 1997 in all occupancy types.

The lower portion of the table tracks Program growth by special policy types: Residential Condominium Building Association Policies (RCBAPs), Preferred Risk Policies (PRPs), and Mortgage Portfolio Protection Program policies. These are included in the policy totals listed in the upper portion of the table. Of these three special policies, the greatest growth in Fiscal Year 1997 occurred in PRPs, which experienced a 43 percent increase in policies and a 65 percent increase in premium income.



## POLICIES, PREMIUMS, AND INSURANCE IN FORCE

October 1, 1996 - September 30, 1997

	POLICIES	PREMIUM	INSURANCE IN FORCE
<b>By OCCUPANCY:</b>			
Residential			
Single-Family	2,547,431	\$993,227,067	\$299,299,436,400
2- to 4-Family	149,827	\$59,280,902	\$14,579,839,000
Other Residential	145,500	\$59,105,327	\$12,242,492,800
RCBAP	797,609	\$111,397,443	\$61,040,119,000
Non-Residential	170,886	\$167,004,770	\$35,261,459,500
<b>TOTAL</b>	<b>3,811,253</b>	<b>\$1,390,015,509</b>	<b>\$442,423,346,700</b>
<b>By ZONE:</b>			
All A Zones	2,660,823	\$1,024,599,745	\$284,504,219,200
All V Zones	79,014	\$60,726,283	\$9,036,007,100
B, C, and X Zones	1,045,640	\$295,951,695	\$127,931,588,800
Other*	25,776	\$8,737,786	\$951,531,600
<b>TOTAL</b>	<b>3,811,253</b>	<b>\$1,390,015,509</b>	<b>\$422,423,346,700</b>
<b>SPECIAL POLICIES:</b>			
RCBAP	797,585	\$111,394,582	\$61,039,245,000
Preferred Risk Policy	442,380	\$88,607,088	\$47,097,950,800
Mortgage Portfolio Protection Program	5,911	\$4,179,890	\$391,453,400

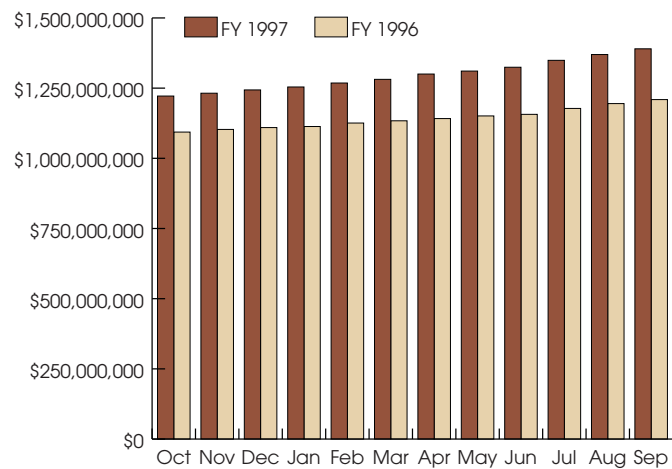
\*Emergency Program, D Zones, etc.





## Written Premiums

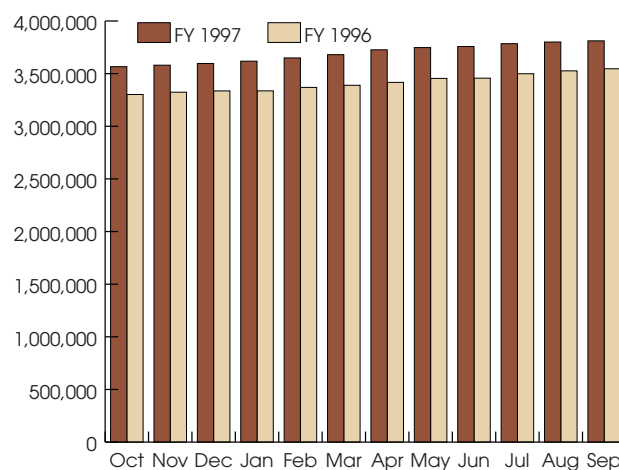
Premiums for National Flood Insurance policies in force grew by 15 percent in Fiscal Year 1997, representing an increase of \$180,837,173.



	FY 1997	FY 1996
October	\$1,221,796,734	\$1,093,455,367
November	\$1,231,913,913	\$1,102,905,480
December	\$1,243,590,304	\$1,109,493,890
January	\$1,254,089,198	\$1,113,275,779
February	\$1,268,224,639	\$1,125,663,189
March	\$1,281,276,654	\$1,133,634,217
April	\$1,300,173,305	\$1,141,559,694
May	\$1,310,749,289	\$1,150,963,318
June	\$1,324,407,122	\$1,156,611,030
July	\$1,349,004,832	\$1,177,681,616
August	\$1,369,667,749	\$1,194,930,473
September	\$1,390,015,509	\$1,209,178,336

## Policy Count

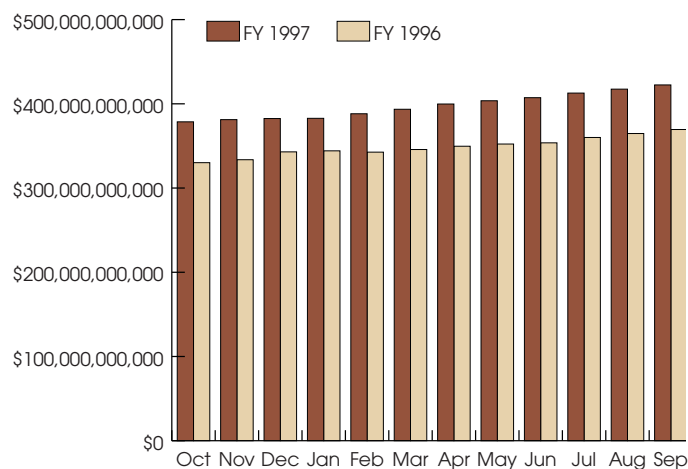
During Fiscal Year 1997, the NFIP experienced a policy growth of 7.5 percent, beginning on October 1, 1996, with 3,546,050 policies and ending on September 30, 1997, with 3,811,253, providing coverage for 265,203 more policyholders than the previous year



	FY 1997	FY 1996
October	3,565,967	3,301,664
November	3,580,130	3,323,590
December	3,596,271	3,335,866
January	3,618,242	3,336,318
February	3,648,995	3,369,229
March	3,679,993	3,389,196
April	3,726,318	3,416,842
May	3,747,339	3,454,728
June	3,757,315	3,456,829
July	3,784,365	3,498,796
August	3,800,231	3,526,254
September	3,811,253	3,546,050

## Total Insurance in Force

In Fiscal Year 1997, the total amount of insurance in force for National Flood Insurance policies rose by almost \$53 billion nationwide.



	FY 1997	FY 1996
October	\$378,609,326,600	\$330,125,662,600
November	\$381,222,098,200	\$333,627,891,200
December	\$382,516,250,800	\$342,949,434,100
January	\$382,780,790,700	\$344,174,406,300
February	\$388,197,836,300	\$342,624,884,600
March	\$393,530,691,500	\$345,740,716,200
April	\$399,768,530,800	\$349,644,705,400
May	\$403,632,355,200	\$352,253,326,100
June	\$407,280,984,100	\$353,666,407,000
July	\$412,752,248,700	\$360,043,710,500
August	\$417,426,032,700	\$364,733,290,100
September	\$422,423,346,700	\$369,500,953,800

---

## CLAIMS AND FLOODING STATISTICS

Each year, weather conditions dictate NFIP claims activity. Flooding occurred in many parts of the United States in Fiscal Year 1997, resulting in more than 50,000 claims.

---

### Flood Insurance Claims Summary

In October 1996, hurricanes hit the eastern coastline of the United States and Puerto Rico. The largest number of losses was caused by flooding that occurred when Hurricane Josephine made landfall in Florida. In Fiscal Year 1997, more than \$97 million was paid for claims on losses resulting from this event alone. Also in October, the northern Atlantic coastal states were affected by a powerful storm that traveled up the coast from New Jersey, through Massachusetts, leaving a trail of insured damage totaling more than \$35 million in flood insurance claims payments.

The west coast of the United States was hit by winter flooding, beginning in November with a storm in Oregon that generated 267 losses with claims payments of almost \$3 million. More than 2,000 losses were reported following heavy January rains in California, resulting in more than \$37 million in claims payments. In fact, the entire Pacific Northwest was drenched in January 1997. Oregon was hit again in January, reporting 200 additional flood losses totaling more than \$2 million in claims payments. The same storm system produced almost 800 additional flood losses in Idaho, Nevada, and Washington that resulted in almost \$20 million in claims payments.

Illinois experienced unusually heavy flooding in February, with 197 losses and almost \$1.5 million in claims payments. March storms produced flooding in seven south central states that resulted in more than 6,000 losses requiring almost \$105 million in claims payments.

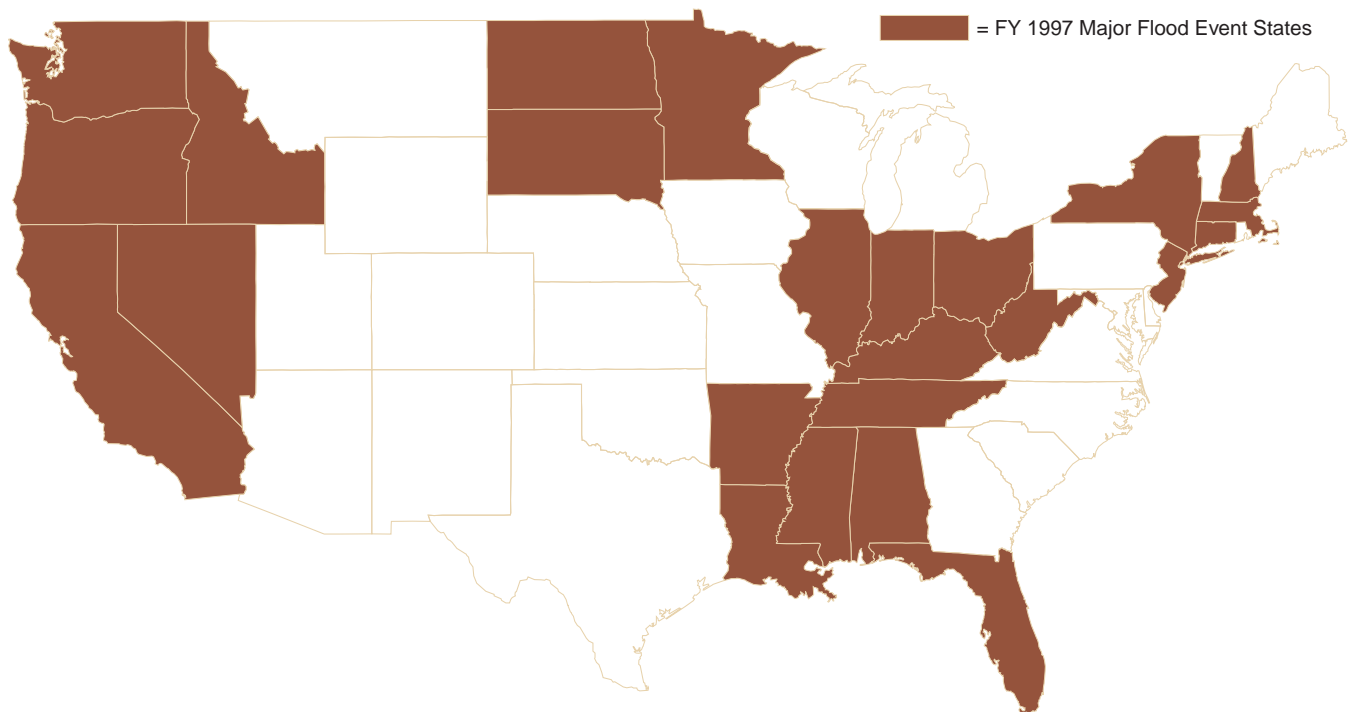
After heavy winter storms dropped extensive snowfalls in Minnesota, North Dakota, and South Dakota, early spring warming caused rapid snowmelt and heavy flooding in April 1997. Almost 8,000 flood insurance claims were reported from this event, resulting in more than \$145 million in claims payments.

The last major flooding of the fiscal year came in July when Hurricane Danny hit Alabama, Louisiana, and Mississippi. 1,339 losses were reported and more than \$9.5 million was paid in National Flood Insurance claims.

### Cumulative Flooding Statistics

In the last 3 years, the Program has made claims payments of more than \$2.8 billion, including \$637,777,061 from October 1, 1996, to September 30, 1997. Heavy winter flooding in the Pacific Northwest, spring flooding in the Dakotas, and summer hurricane damage in the Gulf States resulted in 50,416 losses reported during Fiscal Year 1997.

CUMULATIVE FLOODING STATISTICS					
	TOTAL LOSSES	CLOSED LOSSES	OPEN LOSSES	CLOSED WITHOUT PAYMENT LOSSES	TOTAL PAYMENTS
<b>FISCAL YEAR 1997</b> <i>Oct. 1, 1996 - Sept. 30, 1997</i>	50,416	38,495	3,178	8,743	\$637,777,061
<b>FISCAL YEAR 1996</b> <i>Oct. 1, 1995 - Sept. 30, 1996</i>	62,527	36,319	14,942	11,266	\$783,677,373



## MAJOR FLOODS

Major Floods		
October 1, 1996 - September 30, 1997	Date	State
Hurricane Josephine	October 1996	Florida
Northeast Flooding	October 1996	New Jersey New York Connecticut Massachusetts New Hampshire
General Flooding	November 1996	Oregon
Pacific Northwest Flooding	January 1997	California Oregon Washington Idaho Nevada
General Flooding	February 1997	Illinois
Midwest Flooding	March 1997	Kentucky Ohio Indiana West Virginia Mississippi Tennessee Arkansas
Spring Flooding	April 1997	North Dakota South Dakota Minnesota
Hurricane Danny	July 1997	Alabama Mississippi Louisiana

# INSURANCE UPDATE

---

## CHANGES AND STUDIES

Advances in the insurance industry, shifts in public perceptions, and changes in the shape of floodplains due to natural or manufactured causes sometimes require adjustments in the way the NFIP operates. Between October 1, 1996, and September 30, 1997, several changes were made to the Program and a number of studies were developed to enhance the effectiveness of the NFIP for all of its policyholders and stakeholders.

---

### **Increased Cost of Compliance: New Coverage**

Before a home or business damaged by flooding can be repaired or rebuilt, owners may be required to meet community building standards designed to reduce future flood damage. To help cover the costs of bringing homes and businesses into compliance with community floodplain ordinances, Congress established a new coverage called Increased Cost of Compliance (ICC) coverage. ICC coverage is included in all new and renewal flood insurance policies effective on or after June 1, 1997.

To explain this new coverage to insurance agents, lenders, and local officials across the country during 1997, the NFIP offered 12 ICC training workshops in Jacksonville and Miami, Florida; Metairie, Louisiana; St. Louis, Missouri; and Charleston, South Carolina. Sites for these joint claims and underwriting workshops were selected based on each area's potential for ICC claims. These pilot workshops were attended by more than 800 people, including independent insurance agents and adjusters, customer service representatives, WYO company agents and adjusters, floodplain managers, and community officials. ICC information is now included in all basic agent and lender workshops and seminars.

FIA also developed a new brochure, *How You Can Benefit From the New Increased Cost of Compliance Endorsement*, that describes the coverage as well as compliance options, how and when to file an ICC claim, and how the claim will be processed. In September 1997, FEMA published *Interim Guidance for State and Local Officials: Increased Cost of Compliance Coverage* to provide guidance on how the ICC relates to community administration of the NFIP.

## **New Temporary AR Flood Zone**

The U.S. Army Corps of Engineers has calculated that levees in the urbanized areas of Los Angeles and Sacramento, California, cannot provide protection from the base flood. Previously thought to be safe, thousands of homes and businesses built adjacent to some levees in the Los Angeles and Sacramento areas are now at risk of catastrophic loss if a base flood occurs.

In 1992, a law took effect that provided for a new Special Flood Hazard Area (SFHA) called an AR Zone. The AR Zone designation is a means of recognizing that a flood protection system is being restored to provide protection during the base flood, and of reducing flood insurance costs and elevation requirements for properties that will be exposed to an increased risk of flooding during the restoration period. The AR Zone designation process also helps eligible communities establish a plan for restoring flood protection with the assurance that a restoration project, if constructed as proposed, will result in the eventual removal of the SFHA designation from protected areas. The incentives in AR Zone areas are intended to encourage communities to expeditiously restore base flood protection in at-risk areas.

NFIP regulations establishing the AR Zone were developed in Fiscal Year 1997 and took effect on November 26, 1997. FEMA's floodplain maps containing the new designations go into effect on July 6, 1998, in the Los Angeles and Sacramento areas.

---

## **Condominium Inspection**

The rapid development of residential and vacation condominium buildings along coastlines and rivers and in other floodprone areas has prompted FIA to re-examine flood insurance premium costs and coverage for policyholders in residential condominium buildings.

Surveys conducted for FEMA of insured condominiums in 1991, 1992, and 1993 concluded that many Condominium Master Policies were not written accurately. There were errors in flood zones, construction dates, and flood elevations. The most important cause for misrating was improper identification of the lowest floor and the equipment and enclosures below it.

In 1997, FEMA began inspecting approximately 30,000 of the condominium structures insured under the NFIP throughout the United States. FEMA has hired two contractors to inspect the condominiums for a 3-year period to determine which of these properties have been properly rated for flood insurance and whether or not the Government is receiving adequate insurance premium for the coverage. In August 1997, WYO companies began receiving inspection reports each month to update affected policies within their next renewal cycle.

## New Studies Undertaken

A number of studies were initiated in Fiscal Year 1997 to examine the statutory subsidy built into premium rates, the effectiveness of NFIP underwriting and loss adjustment processes, and the effects of erosion on properties along coastlines.

### SUBSIDY STUDY

Congress' concern for the fiscal soundness of the Program is reflected in the National Flood Insurance Reform Act of 1994, which seeks to increase market penetration and spread the risk through lender compliance requirements; to provide a way to mitigate the worst risks through mitigation insurance and the mitigation assistance program; and to address the need to lower and eventually eliminate the subsidy of flood insurance by allowing rate increases of up to 10 percent each year. The law also requires a study of the economic effects of increasing subsidized flood insurance rates.

FEMA awarded Price Waterhouse a contract to conduct this study of those areas of the country that would be subject to increased National Flood Insurance premiums if the subsidy were reduced. Field work began in Fiscal Year 1997 to determine the amount by which premium rates would be increased in each area, the number and types of properties affected, the number of policyholders who would be likely to cancel flood insurance if rates were increased, and the effects of increased premiums on land values and property taxes. NFIP stakeholders will be informed of the results of this study as they become available.

---

### CLAIMS AND UNDERWRITING STUDY

In recent years, the NFIP has experienced remarkable growth in flood insurance policies, and at the same time heavy flooding has produced flood insurance losses exceeding historical averages. Proper underwriting of flood insurance policies and adjustment of flood insurance losses impact the National Flood Insurance Fund.

In light of the recent policy growth and loss experience, FIA initiated an evaluation of the underwriting and claims processes and controls. Study recommendations will fall in three interrelated areas: the underwriting and claims requirements of the NFIP, how well the NFIP underwriting and claims requirements are being met, and the nature and adequacy of FIA controls over NFIP underwriting and claims processes.



## EROSION STUDY

Section 577 of the National Flood Insurance Reform Act of 1994 requires that FEMA conduct a study that evaluates the impact of erosion and erosion mapping on coastal communities and the NFIP. Phase 1, now complete, required mapping of a representative number of areas. The Phase 2 study includes an inventory of structures in the 60-year erosion hazard areas and current and projected flood zones, an economic analysis of erosion and erosion mapping on coastal communities and the NFIP, and a determination of whether or not it is cost beneficial for FEMA to map erosion hazard areas.

The results of this study will provide a quantitative basis for evaluating the impact of erosion and erosion mapping on coastal communities and the NFIP. The costs, both direct and indirect, of mapping erosion zones must be weighed against issues of equity in how flood insurance loss costs are distributed among insureds and general taxpayers, and issues concerning public policy in land use decisions. The conclusions of the study will provide a basis for Congress to decide if it wants FEMA to map coastal erosion areas and use this information in determining NFIP insurance premium risk classifications. The final report will be submitted to Congress in 1999.



## MARKETING AND TRAINING

Reaching out across the United States and its territories, FIA uses multiple approaches to provide stakeholders and consumers information about the risk of floods and the benefits of National Flood Insurance.

### Cover America Update

“Cover America,” FIA’s public awareness and education campaign, continued full force during Fiscal Year 1997. Advertising, direct mail, co-op advertising, and public relations efforts worked together to increase awareness of flood insurance and the risk of flooding.

#### PAID ADVERTISING

Advertising on television continued throughout the year on 25 national cable stations. In February 1997, FIA produced three new flood insurance commercials featuring FEMA Director James Lee Witt, each targeting a different type of flooding: snowmelt, hurricane, or general. Each of these new commercials were aired throughout the year, based on forecasts for major flooding. For instance, the snowmelt spot was aired prior to the flooding that was predicted, and did occur, in Idaho, Minnesota, North Dakota, and South Dakota. In addition, from March 17 through April 4, 1997, FIA aired the general flood insurance commercial on 12 national cable stations. The hurricane spot aired in hurricane-prone areas in May and June during news and other high-visibility programs.

The NFIP print campaign also continued with a stronger presence in home improvement magazines. Print ads appeared in 37 magazines, including 29 consumer magazines, 5 insurance trade publications, and 3 lender trade publications.

The lending industries were targeted for the first time this year, using the new fact sheet entitled, *Top 10 Things Every Lender Needs to Know About Flood Insurance*, as an advertorial (a paid editorial) in lending magazines such as *American Banker*, *ABA Banking Journal*, and *Mortgage Banking*.

To reach even more people with the flood insurance message, FIA started advertising using live-read radio scripts this year. These targeted radio ads, along with spot television commercials, were aired in California, Nevada, and Oregon at the beginning of 1997; in Idaho, Minnesota, North Dakota, and South Dakota before the snowmelt flooding; and, in hurricane-prone areas during May. The hurricane message was aired in both English and Spanish.

Additionally, the NFIP ran radio ads in Los Angeles, San Diego, and San Francisco, California, for 3 weeks starting September 15, 1997, to alert people to the potential for flooding from El Niño and encourage them to buy flood insurance.

Direct mail efforts targeting homeowners without flood insurance also continued in Fiscal Year 1997. A package with the Never Say Never brochure and a reply card was mailed in December to 200,000 homeowners in 20 counties.



Ad slicks for Co-op Program

## Co-OP PROGRAM

The NFIP co-op advertising program, which provides insurance companies and agents with the opportunity to split their flood insurance advertising costs with the NFIP, gained momentum in Fiscal Year 1997. From October 1996 through September 1997, 404 insurance companies and agents participated in the program, placing 2,044 print ads, Yellow Pages display ads, and television spots.

*"The opportunity to get your name out to the public to tell them that we can write their flood insurance and have the NFIP pay for 50% of it is the best of both worlds. It is a win-win situation."*

*Carmen Farinelli  
Farinelli Insurance*

*"The advertisements worked great for us. We ran our ads at the perfect time. Floods were getting so much coverage in the media at the time, our ads tied in perfectly. We have written at least 30 policies because of our advertisements. We ran our ads 4 consecutive weeks and it generated a lot of interest in the community. I definitely plan on joining the NFIP program again next flood season."*

*Craig Hanson  
Security State Agency  
Aitkin, MN*

*"I have been running flood advertisements consistently since October 1996. I would not have been able to afford this without the NFIP's help. Saving 50% of my ad costs enables me to advertise longer, and I think that's the key. Other insurance agents have even thanked me for my continual flood advertising because it has increased inquiries about flood insurance from their clients. And that's good for our community as a whole, especially now with all the flood activity. I've written more flood insurance this year than in my 20-year career, and the NFIP Co-op program has played an important role in that increase."*

*Mary McClure  
McClure Insurance  
Mankato, MN*

*"People seem to be misinformed about flood — especially in low risk areas. There's an obvious need for flood insurance today and if I can educate the public, or at least make them more aware, we can all benefit. People will be protected and hopefully my business will increase as I provide them with the necessary services. If I bring people in with flood insurance, maybe I will be able to get additional business from them. I love the fact that the NFIP pays for 50% of my flood ad costs. That helps so much because yellow pages prices can be steep, and to be able to cut that cost in half, I'm able to advertise elsewhere. I just get so much more exposure."*

*Steve Fusco  
Steve Fusco Insurance  
Arlington, TX*

## PUBLIC RELATIONS

Many of FIA's public relations initiatives undertaken throughout the year were coordinated closely with special advertising efforts prior to the snowmelt flooding and hurricane seasons.

Five television and radio media tours featuring FIA officials were held throughout the year, generating 231 broadcasts reaching an audience of more than 20 million. In addition, special articles about flood insurance targeting consumers were printed in newspapers across the county 413 times, reaching an audience of almost 7 million.

Information about flood risks and flood insurance was provided to members of the media nationwide through two mailings: the first in the spring to 22 newspapers in 14 states, and the second in the fall, targeting 75 outlets with information about El Niño and predictions for increased flooding.

Additionally, a new five-part brochure series was developed to enable NFIP stakeholders to better communicate with their constituents and clients: *Coping with Flood--Before, During, and After*; *Who is at Risk for Flooding?*; *Things You Should Know About Flood Insurance*; *Flood: Are You Protected From the Next Disaster?*; and *Tips on Handling Your Flood Insurance Claim*.



---

## Results

The Cover America campaign continued to generate responses and increase awareness throughout the year. Since the beginning of the campaign, FIA has received more than 260,000 written and telephonic responses with close to 50,000 of the telephonic responses referred to an insurance agent. Awareness about the NFIP and flood insurance has increased from 12 percent to 18 percent for consumers and from 16 percent to 20 percent for business decision-makers. The rate of those recalling that the main message of advertisements is the availability of flood insurance has risen to 32 percent, up from 24 percent in March 1996.

## NFIP Training Programs

The NFIP's in-depth training programs provide agents, adjusters, and lenders opportunities to receive the most up-to-date information about flood insurance requirements, while creating an open forum for discussion of flood insurance policy and claims processing.

The NFIP continued its efforts to provide basic training to agents throughout the United States and its territories. A total of 396 agent seminars were presented during this time period, with an attendance of 12,027, reflecting a 29.5 percent increase over the previous year's attendance. More than half of the NFIP agent training seminars in Fiscal Year 1997 were sponsored by national, state, and local insurance organizations. In most states, agents who attended these workshops were able to receive Continuing Education Units.

In addition, several hundred workshops were specifically tailored to help lenders comply with Federal requirements. Banks, State lender regulatory offices, savings and loan associations, credit unions, professional lender associations, title companies, and mortgage corporations sponsored 131 of the 212 lender workshops held between October 1, 1996 and September 30, 1997 with a total attendance of 4,085 people.

The NFIP also conducts specialized training workshops when changes are announced in flood insurance coverage. One example is the series of pilot workshops conducted in June 1997 about the new Increased Cost of Compliance (ICC) coverage.

When weather conditions produce strong predictions of flooding, special "pre-flood" workshops are provided to prepare local government agencies, insurance agents, and lenders with information they will need to respond to questions and requests for flood insurance protection from area residents. For example, prompted by the potential for heavy flooding caused by heavy snowfall and an early spring thaw along the Red River in North and South Dakota, the NFIP conducted seven pre-flood workshops for more than 700 agents and lenders in the region during February 1997.

Winter storms brought torrential rains and flooding to northern California and Nevada in 1997, prompting the NFIP to provide training assistance at the many Disaster Field Offices FEMA established to respond to these flooding disasters.



## Mini-Conferences

The NFIP holds interactive, day-long mini-conferences across the United States to provide a unique opportunity for insurance agents, lenders, and community officials to meet with Federal, State, and local officials. Seven flood awareness mini-conferences were held in Fiscal Year 1997 and were attended by 663 people.

Welcoming attendees to the mini-conferences were FEMA Regional Directors or their representatives, who addressed on-going mitigation, disaster response, and recovery efforts within their specific territories. Morning sessions also featured interactive panel discussions with local insurance agents, lenders, floodplain managers, emergency managers, and flood victims. Afternoon sessions often featured concurrent workshops specifically tailored to the needs of the attendees.

The mini-conference held in Grand Forks, North Dakota, several months after devastating spring floods inundated the Midwest was broadcast via FEMA's video conference facility to locations throughout the region. Six other mini-conferences were conducted in Buffalo, New York; Boston, Massachusetts; Cumberland, Maryland; Salem, Oregon; Lenexa, Kansas; and Mobile, Alabama.

---

## 1997 National Flood Conference Bridged the Gap

The National Flood Conference creates a forum for NFIP stakeholders to discuss the benefits of the Program, its most recent changes, and its future direction. This annual conference has grown from 125 attendees at its first meeting in 1983 to more than 700 participants in 1997. Attendees at the 1997 conference included representatives from the insurance industry, lending institutions, and other Federal, State, and local government agencies, as well as property claims adjusters, appraisers, engineering firms and other interested parties.

"The Keystone Connection: Bridging the Gap" was the theme for the National Flood Conference, held in Pittsburgh, Pennsylvania in May 1997. Kathy Batson, Senior Vice President of Bankers Insurance Group, presided over the general sessions. James L. Witt, Director of FEMA, opened the conference by welcoming NFIP stakeholders and expressing his appreciation for their support in the Program. Special guest Glenn Pomeroy, Commissioner of the North Dakota Department of Insurance, spoke about the devastating floods in the Red River Valley, the need to assess why the majority of flood victims were uninsured, and what could be done to prevent future uninsured disasters. Chuck Noll, former Pittsburgh Steelers coach and member of the pro-football Hall of Fame, wrapped up the conference with insights on team building. The awards ceremony, in which FIA recognizes its partners for their outstanding contribution and support of the NFIP, was another highlight of the conference.



## North Dakota Flood Insurance Summit

Devastating floods in the Red River Valley in April 1997 caused hundreds of millions of dollars in damage to citizens in North Dakota, South Dakota, and Minnesota. Prior to the flood, numerous public and private organizations and individuals encouraged homeowners, renters, and business owners to purchase National Flood Insurance. While many people responded to this advice and bought flood insurance, the majority of property owners in the area were uninsured when the Red River crested.

To analyze and better understand the Red River Valley experience, to determine its applicability to communities across the nation, and to recommend improvements to the flood insurance delivery process, North Dakota Insurance Commissioner Glenn Pomeroy invited representatives from those impacted by the flooding to participate in a special 1 1/2 day Flood Insurance Summit.

Approximately 60 individuals representing insurance agents, lenders, insurance companies, government officials, and consumers took part in the summit, held at the University of North Dakota and co-sponsored by Commissioner Pomeroy; former FIA Executive Administrator Spence Perry; and Harvey Ryland, President and Chief Executive Officer, Institute for Business and Home Safety. FEMA Director James Lee Witt addressed the meeting via a short video.

Prior to the Summit, the North Dakota Insurance Commissioner's Office conducted a survey asking people in the region if they knew about flood insurance and what were their reasons for purchasing or not purchasing it. A major finding was that 95 percent of the respondents knew about flood insurance, but only 20 percent actually purchased it. Reasons given for not purchasing flood insurance ranged from blaming the National Weather Service for underestimating the river crest to stating, "My insurance agent convinced me I did not need flood insurance."

Summit organizers used the survey results to create action items for discussion at the meeting and subsequently developed an action plan for future reporting and reference.





## NFIP Electronic and Print Communication

To help increase the ways in which consumers, insurance agents and companies, lenders, and others obtain information about the NFIP, FIA is using varied media, such as the Internet, videos, new brochures, and fact sheets.

### PUBLICATIONS

FIA produced a new information sheet for lenders in Fiscal Year 1997 entitled, *Top Ten Things Every Lender Needs to Know about Flood Insurance*, and a fact sheet for agents entitled *Here's What to Tell Your Clients About Flood Insurance* that has a companion stuffer with the same design, entitled *Benefits of Flood Insurance vs. Disaster Assistance*. All three were distributed to industry organizations at trade shows and at NFIP training workshops.

Changes in NFIP policy and processing prompted the update of a number of publications in Fiscal Year 1997, in particular, the *Mandatory Purchase of Flood Insurance Guidelines* booklet. The new version reflects changes in lenders' flood insurance requirements made by the National Flood Insurance Reform Act of 1994. The updated booklet contains new charts and other visual materials that show how the mandatory purchase requirement of flood insurance is activated at loan origination and the trigger points for requiring flood insurance during the life of the loan.

---

### VIDEO PRODUCTION

FIA produced several video programs about the NFIP in Fiscal Year 1997 to update WYO companies on flooding events of the year, the new ICC coverage, and other recent changes in the Program. In addition, a video from an ICC coverage workshop for insurance agents and claims processing personnel was produced for the FEMA Regions, and an agent training tool called the *Basic Agent Tutorial* was initiated.

### NFIP WEBSITE

In 1997, FIA worked on developing an NFIP section for FEMA's award-winning website that, since its implementation in 1994, has hosted more than 1.7 million visitors. Now, visitors to FEMA's website will be exposed to a wealth of information about National Flood Insurance, while NFIP stakeholders who already know the value of flood insurance will receive fast, accurate information about changes and clarifications within the Program.

---

## **FUTURE INITIATIVES**

In Fiscal Year 1997, a number of initiatives were identified for development in Fiscal Year 1998.

---

### **Preferred Risk Policy Eligibility**

The Preferred Risk Policy (PRP) was developed to encourage people living in lower risk areas to buy flood insurance and to make the coverage for these properties easier for agents to write. However, loss experience on these policies has necessitated that some adjustments be made, including stricter eligibility conditions for PRP's effective on or after May 1, 1998.

PRP eligibility has been based on the flood loss history of the property during the period of ownership of the current owner. In the future, the flood loss history criteria will be determined for the property regardless of ownership. Also in the future, continued eligibility as a PRP will depend on the flood risk zone in effect on the effective date of a renewal. Properties no longer in Zones B, C, or X will be able to retain a standard rating for the X zone, but not the PRP rating.



### **Deductible Buy-Back Offer**

To reduce the subsidy levels of the Program through means other than rate increases, NFIP regulations will be amended effective May 1, 1998, to increase the standard deductibles for both building and contents coverage for subsidized policies from \$750 to \$1,000.

For an additional premium, policyholders who wish to reduce their deductibles may opt to purchase, or "buy back," a \$500 deductible separately for building and contents coverages.

## NFIP Website Design Enhancements

The NFIP website is being updated and refined to better assist and inform visitors about the flood program. In the “Library” section, NFIP claim processing forms will be available in a portable document format (PDF) that will allow claim adjusters to print out forms necessary for handling a flood insurance loss.

In the “Monthly Reports” section (reached through the “What's New” heading) viewers will find statistical data on flood insurance sales. This section also will provide access to National Flood Insurance state-by-state claim and policy statistics that will allow visitors to compare and contrast policy growth and claims payments in their own states against other parts of the country.

The “News Room” section of the website will be updated daily to keep visitors informed of upcoming storms and possible flooding events throughout the United States and its territories.

## Policy Rewrite

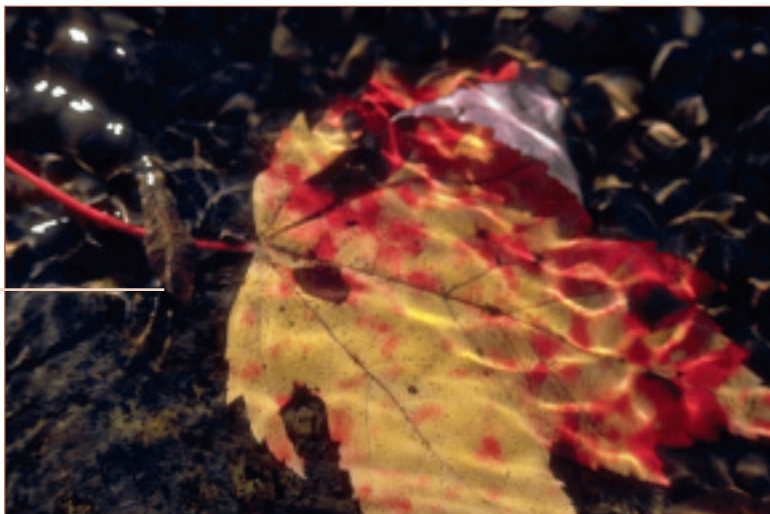
In Fiscal Year 1998, FIA will work with insurance industry partners to begin rewriting the Dwelling Form, the RCBAP Form, and the General Property Form. FIA seeks to simplify the policy forms and make them easier to read, eliminate confusing terminology, and make the forms more consistent with Homeowners Policy forms.

At the end of the policy rewriting effort, insurance companies, lenders, insurance agents, and policyholders will have a contract for flood coverage that is current, comprehensive, and easy-to-understand.

---

All members of the NFIP partnership have worked hard to build this strong Program: mitigating risks, guiding people from harm's way, and providing insurance coverage before the floodwaters begin to rise. Each stakeholder is vital to maintaining and increasing the strength of the NFIP. Together, we have built a Program that has benefited those at risk, taxpayers, and hundreds of thousands of flood victims. It is a Program that is ready to respond, even before the next storm begins.

---



# WYO COMPANIES

## WYO COMPANY LISTINGS

Each year, companies are required to sign the Financial Assistance/Subsidy Arrangement to participate in the WYO Program. The following companies signed for Arrangement Year 1996-1997.

ALLIED Mutual Insurance Company	National Lloyds Insurance Company
Allstate Insurance Company	Nationwide Mutual Insurance Company
American Bankers Insurance Company of Florida	NAU Country Insurance Company
American Family Mutual Insurance Company	New Hampshire Insurance Company
American Modern Home Insurance Company	New Jersey Re-Insurance Company
American National Property & Casualty Company	New York Central Mutual Fire Insurance Company
American Reliable Insurance Company	North Sea Insurance Company
American Sterling Insurance Company	Old Guard Insurance Company
Aries Insurance Company	Omaha Property & Casualty Insurance Company
Audubon Insurance Company	Omega Insurance Company
Auto Club Group Insurance Company	Pan American Insurance Company
Auto Club South Insurance Company	Patrons Mutual Insurance Company of Connecticut
Automobile Club Insurance Company	Pennsylvania Patriot Insurance Company
Auto-Owners Insurance Company	Philadelphia Contributionship Insurance Company
Baldwin Mutual Insurance Company, Inc.	Pioneer Mutual Insurance Company
Bankers Insurance Company	Preferred Mutual Insurance Company
Brethren Mutual Insurance Company	Prudential Property & Casualty Insurance Company
California State Automobile Association	Redland Insurance Company
Century-National Insurance Company	Residence Mutual Insurance Company
Citizens Insurance Company of America	Selective Insurance Company of America
Cooperativa de Seguros Multiples de Puerto Rico	Service Insurance Company
Delta Lloyds Insurance Company	Sierra Pacific Insurance Company
EastGUARD Insurance Company	South Carolina Insurance Company
Empire Fire & Marine Insurance Company	Southern Farm Bureau Casualty Insurance Company
Everett Cash Mutual Insurance Company	State Capital Insurance Company
Fidelity & Deposit Company of Maryland	State Farm Fire & Casualty Company
First Community Insurance Company	Standard Guaranty Insurance Company
First Insurance Company of Hawaii, Ltd.	TIG Insurance Company
Fortune Insurance Company	TIG Premier Insurance Company
Great Pacific Insurance Company	Travelers Property & Casualty Insurance Company
Hartford Fire Insurance Company	Union American Insurance Company
Hartford Underwriters Insurance Company	Union Mutual Fire Insurance Company
Holyoke Mutual Insurance Company	Unisun Insurance Company
IGF Insurance Company	United Ohio Insurance Company
Indemnity Insurance Company of North America	United Southern Assurance Company
INTEGRAND Assurance Company	United Surety & Indemnity Company
Island Insurance Company Ltd.	Universal Insurance Company
Liberty Mutual Fire Insurance Company	USAA
Maryland Casualty Company	U.S. Security Insurance Company, Inc.
Middlesex Mutual Assurance Company	U.S. Specialty Insurance Company
Millville Mutual Insurance Company	Utica First Insurance Company
Minnesota Fire & Casualty Company	Vesta Fire Insurance Corporation
Mobile USA Insurance Company, Inc.	Vesta Insurance Corporation
Mountain States Insurance Company	Western Wisconsin Mutual Insurance Company
National Grange Mutual Insurance Company	White Hall Mutual Insurance Company
National Insurance Company	Windsor-Mount Joy Mutual Insurance Company



This document was developed by the  
NFIP Bureau and Statistical Agent  
in conjunction with FIA  
for presentation to NFIP Stakeholders.



**We can't replace your memories,  
but we can help you build new ones.**

<http://www.fema.gov/nfip>

593-9118C (5/98)

